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SUBJECT: MEDIA REACTION - GLOBAL ECONOMY: FINANCIAL MARKET CRISIS;
SAO PAULO

A Quick Drop

Editorial in liberal A Folha de S. Paulo (3-11) says: "....On the back of the global bonanza [seen between 2004 and 2008] the Brazilian economy more than doubled its expansive pace in comparison to the one seen in the two previous decades. With expressive trade surpluses and a massive capital inflow, Brazil was able to.....increase its protection against international crises. Unfortunately, this line of prudence did not include government expenses.....If the public power had controlled its natural inclination to spend it then it would now have a less limited arsenal to fight the injurious effects of the global debacle."

The Economy's Tumble

Editorial in center-right O Estado de S. Paulo (3-11) states: "The Brazilian economy suffered a tumble at the end of 2008, the largest in the last 12 years, and the shock is not gone yet.....This will be a bad year for the entire world. Brazil will not be immune to difficulties, but, despite that, may have a better performance, if the government is able to take an anti-cyclical action. So far, it [GOB] is listening to lobbies that have the best competences to obtain facilities and, in addition to this, planning actions that have an electoral effect, such as building homes for a symbolic price and with fiscal consequences yet to be estimated. This is a way of burning money, not a way to stimulate the economy."
WHITE